INTERPIPE

PRESS RELEASE

June 19, 2020

Interpipe announces the 3 months 2020 financial results

Interpipe (referred to as "Interpipe" or the "Company"), a global producer of steel pipes and railway products based in Ukraine, released (via Interpipe Holdings Plc) its unaudited IFRS consolidated financial statements for the period from 1 January to 31 March 2020.

3 months 2020 Financial Highlights:

- Revenue decreased by 8% y-o-y to USD 251 million;
- EBITDA surged by 26% y-o-y to USD 86 million;
- CAPEX hiked by 22% y-o-y to USD 11 million;
- Net Debt inched up to USD 88 million with Net Leverage ratio (Net Debt to EBITDA) of 0.32x.

This first quarter saw split performance across between the pipe and railway products segments. The railway business remained strong, whereas the pipe segment showed continued weakening of operational and financial results, which had started in H2 2019.

Overall, in the first quarter, Interpipe's revenue declined by 8% y-o-y to USD 251 million due to the underperformance in the pipe segment. Revenue from pipes shrunk by 40% y-o-y to USD 112 million on the back of underperformance across pipe categories.

Railway product revenue surged by 66% y-o-y to USD 128 million amid a robust demand and overall price appreciation within the CIS region and Europe.

The 3 months 2020 EBITDA amounted to USD 86 million, up by 26% y-o-y. The railway product segment was the main contributor to the EBITDA growth: its passthrough EBITDA hiked by 2.8x y-o-y hitting its record high of USD 76 million and comprised 89% of the total quarter 2020 EBITDA. At the same time, the standalone pipe segment EBITDA continued shrinking for the second consecutive quarter, ending in a loss of minus USD 5 million.

In Q1 2020 the Company partially redeemed the Notes in amount of USD 98.5 million (the Notes principal stayed at USD 210.7 million as of 31 March 2020) and repaid USD 22.5 million of the Working Capital facilities (having repaid them in full). Following these repayments Gross Debt materially declined by 35% and stood at USD 221 million as of 31 March 2020. At the same time, Net Debt inched up to USD 88 million, while Consolidated Net Leverage ratio (Net Debt to EBITDA) remained flat at 0.32x.

Fadi Hraibi, CEO at Interpipe commented on the results:

In the first 3 months of 2020, the pipe business continued to show a negative trend due to a progressively declining demand in the oil&gas sector in Ukrainian and the US markets. In particular, state-owned gas production company Ukrgasvydobuvannya has dramatically decreased purchasing of OCTG due to cutbacks in the gas drilling programs. In the US market company's OCTG sales were strongly influenced by section 232 tariffs and anti-dumping duty (32% in total).

Despite these market challenges, Interpipe managed to increase its EBITDA by 26% y-o-y up to USD 86 million, mainly due to the strong performance of our railway product segment.

COVID-19 slowdowns have affected the CIS railway market much more than we expected. Lockdowns and declining GDP have frozen wagon building and stalled wheel after-market sales. In addition, starting June 1, 2020 the Eurasian Commission has reinstated the 34.22% antidumping duty on Ukrainian wheels that further challenges our ability to maintain market share and likely will lead to a reduction in volumes.

Given additional challenges, such as the introduction of trade barriers against Ukrainian steel products in the EU and MENA which affects our steel seamless pipes, the Company now faces adverse market environments in both pipe and railway products simultaneously. We anticipate that this will negatively impact Interpipe's Q2 2020 and future performance.

About the company:

Interpipe is a global producer of steel pipes and railway wheels products, based in Ukraine. The company's products are shipped to more than 80 countries all around the world via a network of sales offices located in the key markets of Ukraine, Europe, North America and the Middle East. In 2019 Interpipe supplied 822 thousand tons of finished goods, including 203 thousand tons of railway products.

Interpipe has 11 thousand people working at the company's facilities.

INTERPIPE HOLDINGS PLC
Mykinon, 8, 1065, Nicosia, Cyprus
A Public Company Limited by Shares registered in Cyprus № 396228

3 months 2020 Operational and Financial Results

#	Item	3m 2020 ths. tons	3m 2019 ths. tons	Change Δ	Change %, y-o-y
			Production		
1.	**Steel**	**217**	**222**	**-5**	**-2%**
2.	**Pipes, o/w:**	**114**	**170**	**-57**	**-33%**
2.1.	Seamless, o/w:	97	138	-41	-30%
2.1.1.	OCTG	28	59	-31	-52%
2.1.2.	Linepipe	65	71	-6	-9%
2.1.3.	Mechanical	4	8	-4	-51%
2.2.	Welded	16	32	-15	-48%
3.	**Railway products, o/w:**	**55**	**45**	**9**	**21%**
3.1.	Wheels	50	42	8	20%
3.2.	Wheelsets	4	3	1	24%
3.3.	Axles	1,1	0,8	0,2	28%
3.4.	Tyres	0,4	0	-	-
			Sales		
1.	**Steel**	**10**	**4**	**5**	**124%**
2.	**Pipes, o/w:**	**112**	**157**	**-45**	**-28%**
2.1.	Seamless, o/w:	97	124	-28	-22%
2.1.1.	OCTG	30	45	-15	-33%
2.1.2.	Linepipe	63	71	-9	-12%
2.1.3.	Mechanical	4	8	-4	-48%
2.2.	Welded	15	32	-17	-53%
3.	**Railway products, o/w:**	**58**	**46**	**12**	**27%**
3.1.	Wheels	51	42	10	24%
3.2.	Wheelsets	5	3	2	78%
3.3.	Axles	0,9	1,1	-0,2	-18%
3.4.	Tyres	0,2	0	-	-
	TOTAL	**180**	**207**	**-27**	**-13%**

INTERPIPE HOLDINGS PLC
Mykinon, 8, 1065, Nicosia, Cyprus
A Public Company Limited by Shares registered in Cyprus № 396228

#	Item[1]	3m 2020 mln USD	3m 2019 mln USD	Change Δ	Change %, y-o-y
1.	**Revenue, o/w:**	**251**	**272**	**-21**	**-8%**
1.1.	Steel	8	4	3	77%
1.2.	Pipes	112	188	-75	-40%
1.3.	Railway products	128	77	51	66%
1.4.	Other	3	3	0	-6%
2.	**EBITDA[2], o/w:**	**86**	**68**	**18**	**26%**
2.1.	Steel	21	12	8	69%
2.2.	Pipes	-5	31	-35	-115%
2.3.	Railway products	70	25	45	180%
2.4.	Other	0,4	0,4	0,0	-4%
3.	**Capex[3]**	**11**	**9**	**2**	**25%**
4.	**Free cash flow[4]**	**-4**	**23**	**-27**	**-115%**

#	Item[5]	As of 31 March 2020 mln USD	As of 31 December 2019 mln USD	Change Δ	Change %, y-o-y
1.	**Gross Debt**	**221**	**338**	**-117**	**-35%**
2.	**Net Debt**	**88**	**82**	**6**	**7%**
3.	**Consolidated Leverage Ratio (Debt to EBITDA)**	**0,80**	**1,31**	**-0,51**	**-39%**
4.	**Consolidated Net Leverage Ratio (Net Debt to EBITDA)**	**0,32**	**0,32**	**0,00**	**0%**

1. Financial figures are presented based on the unaudited consolidated financial statements for the FY 2019 prepared according to the IFRS
2. EBITDA is calculated as an operating profit (or loss) plus depreciation and amortization charges, plus impairment of property, plant, and equipment and intangible assets, plus loss / (gain) on disposal of property, plant, and equipment, plus foreign exchange cash flow hedges effect, plus extraordinary losses / (gains), and plus operating foreign exchange gain/(loss)
3. Capex figure represents line Purchases of property, plant and equipment and intangible assets as part of net cash flow from investing activities
4. Free cash flow is calculated as the net cash flow from operating activities less the net cash flow from investing activities
5. The indicators are calculated subject to the terms of the credit documentation under the Notes (Trust Deed)

INTERPIPE HOLDINGS PLC
Mykinon, 8, 1065, Nicosia, Cyprus
A Public Company Limited by Shares registered in Cyprus № 396228